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Central Intelligence Bulletin

CONTENTS

South Vietnam: Situation report. (Page 1)

Czechoslovakia-USSR: The Soviets seem intent on whittling away Dubcek's support. (Page 2)

USSR: Computers able to use Western software are being designed. (Page 3)

Mexico: Most student leaders now favor nonviolent
tactics. (Page 4)

<u>UN-Korea:</u> North Korea may seek a hearing at this year's UN debate on Korea. (Page 5)

Indonesia: The Communist Party finds it difficult
to regroup. (Page 6)

Philippines: Businessmen move toward trade with European Communist countries. (Page 7)

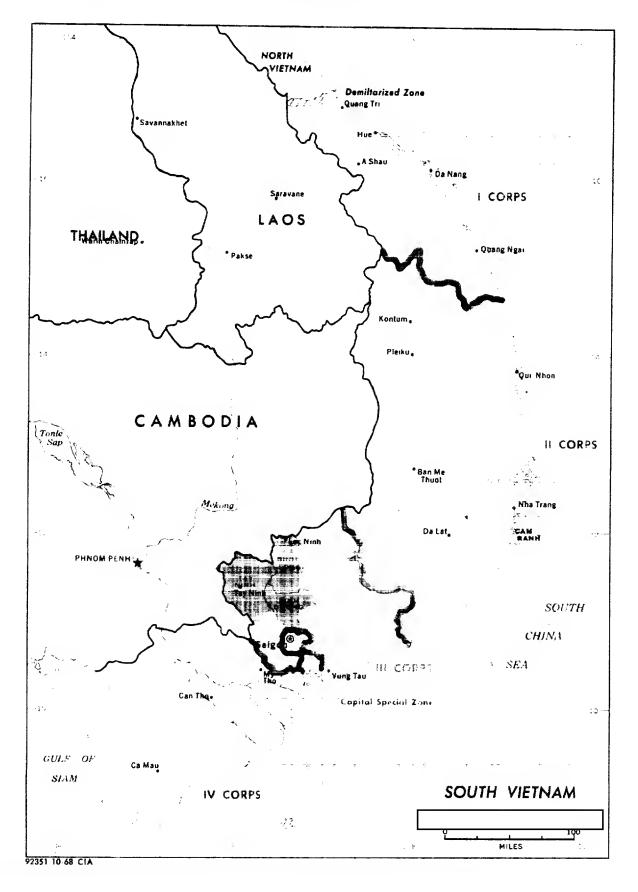
Equatorial Guinea: A new state faces an uncertain future. (Page 9)

Rumania: Warsaw Pact maneuvers (Page 10)

Guinea: Peace Corps request (Page 10)

Uruguay: Terrorists (Page 10)

Sudan-Czechoslovakia: Economic assistance (Page 11)



SECRET

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South Vietnam: Ground action was light on 9-10 October, but an increasing number of reports from a variety of sources are beginning to predict another offensive.

Details vary, but the date is usually given as late October or early November to coincide with the US elections.

Saigon and nearby towns and cities in Binh Duong, Tay Ninh, and Binh Long provinces are possible targets. Allied forces continue to uncover enemy munitions caches in positions relatively close to Saigon, and both prisoners and captured documents refer to Viet Cong plans to open up "corridors" to the capital city from the west.

25X1

11 Oct 68

Central Intelligence Bulletin

1

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Czechoslovakia-USSR: The Soviets seem intent on whittling away Dubcek's popular support by gradually eliminating his maneuverability.

The US Embassy points out that while Dubcek did not totally capitulate during his visit to Moscow on 3-4 October, the Soviets have forced another backward step and reduced his ability to frustrate their aims. The embassy believes Prague risks open condemnation, if not severe reprisals, if it fails to carry through on its new commitments, such as the imposition of tighter controls on mass media.

As a consequence, the previously firm pledge of Czechoslovak leaders to continue Dubcek's liberalization program has been weakened. The embassy also believes that the absence of any reference in the recent Czechoslovak presidium communiqué to the 14th Czechoslovak party congress or to the new draft national party statutes probably means that these projects have been shelved. It interprets the language used in the Czechoslovak presidium's denial of imminent leadership shifts as suggesting that Prague suspects Soviet sources of spreading at least some of these rumors.

Moscow, meanwhile, is likely to see the Czech-oslovak presidium statement--which in part modifies the Moscow communiqué--as an effort by Prague to weaken some of its promises. In deference to Moscow, Czechoslovak leaders have said that orthodox party members would receive preference in personnel appointments, but they added a condition of their own, that such persons would also have to have the "confidence of the people." This phrase probably will be interpreted in Prague to refer to liberals loyal to Dubcek.

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11 Oct 68

Central Intelligence Bulletin

2

SECRET

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USSR: Shortcomings in the development of computer operating systems and programs (software) for civilian use apparently have led the Soviets to design a new series of computers able to use Western software.

third generation computers

being developed in the Soviet Union will be compatible with the IBM-360 series. Prototypes of two such models are expected to be completed early in 1969.

This compatibility will enable the Soviets to use computer software available in the West, saving time and resources. _______ economic arguments had won out over strong nationalistic sentiments favoring the development of Soviet software.

Software development for civilian use always has been a weak point in Soviet computer technology. None of the previous models of Soviet computers was provided with standardized programs comparable to those common in the West.

The Soviets' interest in importing computer software is relatively new, but they have bought some computer hardware from the West. Their attempts to import the production technology necessary to close the gap between Soviet and Western computer systems have been frustrated by international COCOM and US controls.

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11 Oct 68

25X1

Central Intelligence Bulletin

3

Mexico: Only small radical groups are threatening disruptive action during the Olympics beginning tomorrow, and security remains tight throughout Mexico City.

Trotskyists and other fringe groups are reported to be forming clandestine bands for sabotage attempts, but student leaders are promising only a "nonviolent surprise" on the eve of the games.

Although the student strike leaders are pushing the line that the absence of street demonstrations is a result of their own decision, it is clear that the harsh crackdown and mass arrests last week have taken a significant toll. Unable to launch the spectacular marches that they managed before, students are concentrating on organizing for the future, and now say they will pursue their political demands peacefully in a "constitutional struggle."

Because of the bitterness that has developed out of the crisis, small incidents could still set off violent clashes involving even relatively moderate students.

25X1

11 Oct 68

Central Intelligence Bulletin

UN-Korea: North Korea may be trying to seat a representative during this year's UN debate on the Korean question.

Several delegations are pressing for early consideration in the UN's political committee of a draft resolution extending to both North and South Korea an unconditional invitation to be heard during the discussions. In the past, the committee has required each country to accept the UN's jurisdiction on Korean matters before being seated, a condition North Korea has rejected.

Proponents of the draft resolution intend to press for a decision at the first meeting of the political committee on 17 or 18 October. They apparently are confident that they can get the resolution through if it is handled as a procedural matter. The margin of victory for conditional invitations has diminished year by year and was down to 11 last year.

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11 Oct 68

Central Intelligence Bulletin

5

Indonesia: Remnants of the Indonesian Communist Party are finding it difficult to regroup following the collapse of their terrorist campaign in East Java earlier this year.

a planning conference originally scheduled in Central Java in late September has been postponed until early November because of difficulties encountered in getting senior cadres together. The purpose of the conference is to select a new politburo, prepare a self-criticism paper, and establish future party tactics.

Preparatory talks held in West Java in mid-September indicated, however, that reconciling opposing views within the party ranks will be difficult. Many East Java party functionaries are urging preparations for further terrorist activity despite the party's disarray, while those from Sumatra and West Java want more emphasis on political reorganization and training.

Although the party is likely to retain its general pro-Peking orientation, it will probably concentrate for the near future on party rebuilding and political training instead of attempting another round of violent tactics. The continuing success of government anti-Communist operations, as well as the disarray among the party leadership, should preclude any effective resurgence of Communist activity for some time.

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11 Oct 68

25X1

Central Intelligence Bulletin

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Philippines: Businessmen are taking steps to open direct trade relations with European Communist countries.

A trade mission sponsored by the Philippine Chamber of Commerce was scheduled to leave on 8 October for a four-week tour of several Eastern European countries and the USSR to make business contacts and to try to conclude some trade contracts.

President Marcos has expressed interest in trade with Communist countries, but any trade arrangements resulting from the current mission will probably be channeled through unofficial Philippine trade organizations. Such trade would, however, require government approval.

Thus far Philippine trade with Communist countries has been negligible and almost exclusively via third countries. A shipment of lumber and coconut oil to Yugoslavia last month was the first direct Philippine export to any Communist country.

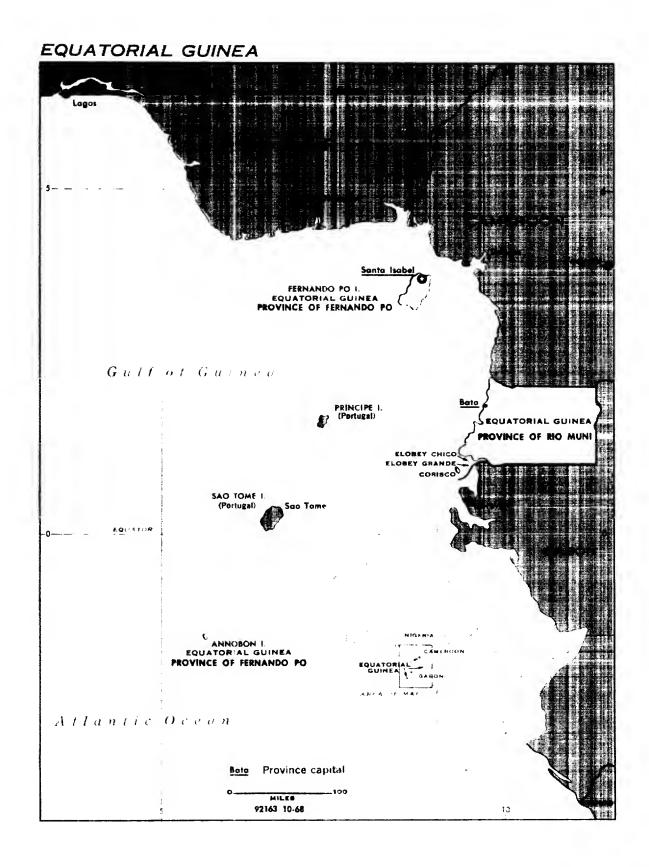
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11 Oct 68

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Central Intelligence Bulletin

7



SECRET

Equatorial Guinea: An uncertain and probably difficult future faces Equatorial Guinea, a small West African territory which is to receive its independence from Spain tomorrow.

The new state combines two provinces that are economically and culturally disparate and geographically separate. Its new leader sets out with an untested and controversial federal structure, inexperienced officials, and an economy which will be heavily dependent, at least for the foreseeable future, on foreign assistance. Although Spain has indicated willingness to continue assistance to Equatorial Guinea, the agreements governing future Spanish-Guinean relations have not yet been negotiated.

President-elect Francisco Macias Nguema, who served as vice president of Guinea's autonomous government for four years, has been characterized as strong-willed, emotional, and erratic. He was until recently a vocal critic of both the federal structure of government and of close ties with Spain. During the closing weeks of his election campaign, however, he promised to work within the limits of the independence constitution, dismissing his previous position as "eminently political."

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Central Intelligence Bulletin

11 Oct 68 .

NOTES

Rumania: Marshal Yakubovsky, during his recent visit to Rumania, got Bucharest's agreement to participate in Warsaw Pact maneuvers outside Rumania, according to a Rumanian diplomat in Paris. Top Rumanian officials have vehemently denied that maneuvers would be held in Rumania or that they would permit Warsaw Pact troops to be stationed there. the maneuvers will take place in Bulgaria but not before next year. manians have tried to avoid a commitment of this

kind but may have agreed to take part in maneuvers

sometime in the future.

Guinea: President Toure has formally requested the US to re-establish a Peace Corps program in Toure may hope by this action to improve relations with Washington and to pave the way for increased US economic assistance, although he probably does not expect the US aid program to return to pre-1966 levels. The Peace Corps was expelled and Guinean-US relations reached their nadir in November 1966, when Guinea charged the US with responsibility for Ghana's detention of a Guinean delegation which was transiting Ghana in a Pan American Airways plane.

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Uruguay: Police have scored their first success against the Tupamaros, an extreme leftist terrorist group that has operated with impunity in the Montevideo area for at least two years. Seven of the group--two of them key members--were apprehended on 8 October. Although their loss will be a serious blow, the Tupamaros are efficient and highly compartmentalized, and it seems unlikely that the organization has been completely put out of action.

25X1

11 Oct 68

Central Intelligence Bulletin

10

SECRET

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Sudan-Czechoslovakia: Despite the Soviet invasion, Czechoslovakia may still provide substantial economic assistance to the Sudan. In late 1967, Prague offered to lend the Sudanese Government up to \$30 million for construction of a fertilizer plant, a sugar refinery, and a tannery. Although no progress has been made on these projects, a Czechoslovak official reportedly has recently assured the Sudanese of Prague's continuing interest in providing assistance.

The Sudanese Government is especially anxious to get funds for a fertilizer plant, estimated to cost some \$17 million. In the absence of public or private Western offers to undertake the project, Khartoum will probably pursue the Czechoslovak offer.

25X1

11 Oct 68

Central Intelligence Bulletin

11

NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 10 Octtober 1968 approved the following national intelligence estimate:

NIE 27.1-68 "Spain: The Coming Struggle for Power"

25X1

11 Oct 68

Central Intelligence Bulletin

12

Secret